



**Notice of Public Hearing to
Adopt Updated Water System Development Charge Methodology
Hillsboro Utilities Commission
Tuesday, November 18, 2014
Room 207, Hillsboro Civic Center
150 E. Main Street, Hillsboro
Notice provided pursuant to ORS 223.304(7)**

The Hillsboro Utilities Commission is preparing to update its Water system development charge (SDC).¹ The Commission last updated its Water Master Plan in 2003 and its SDC methodology in 2006. The Commission's newly updated Water Master Plan includes a 30-year capital improvement plan that identifies approximately \$410 million of projects eligible under Oregon law to be included in SDC calculations. Most of that expense is attributable to planned capacity expansion of the Joint Water Commission water treatment plant and to development of new supply capacity in the Willamette Water Supply System.

Important Dates

October 14, 2014: The Utilities Commission will conduct a Public Hearing to receive testimony on the proposed Water Master Plan update. (Notice of this Public Hearing is being sent separately.)

November 18, 2014: The Utilities Commission will conduct a Public Hearing to receive testimony on the proposed Water SDC Update Methodology.

February 1, 2015: Implementation date for updated Water SDCs.

- SDCs are paid at the time the building permit is picked up. For all **building permit applications submitted on or before February 1, 2015**, the Water SDC in effect on the date the building permit application is submitted will apply if the building permit is picked up on or before Friday, July 31, 2015.
- For all **building permit applications submitted on or after February 2, 2015**, the new SDC fees will apply.

¹ The Hillsboro Utilities Commission is created by the Hillsboro City Charter and is granted authority over the governance and operation of the city's water system. Its decisions on adoption of water rates and water SDCs are final; the Hillsboro City Council does not have a role in the adoption or review of these charges.

Water SDC Update Highlights

1. The current Water SDC is \$6,182 for a 5/8" x 3/4" water meter. (See table below for charges for larger meters.)
2. The maximum Water SDC that could be adopted under methodology consistent with Oregon law is \$9,937. However, the Utilities Commission has concluded that ratepayers will receive some of the benefits of investments in the Willamette Supply System. Therefore, it concluded as part of its rate-setting decisions that some of the SDC-eligible costs should be paid from water rate revenues rather than solely from Water SDCs. The Commission's adopted rate plan enables the updated Water SDC to be established at a level equal to \$6,830, including 2015 indexing.
3. Until the next comprehensive Water SDC update, Water SDCs will be adjusted annually on February 1 according to changes in the ENR Construction Cost Index – Seattle for the previous calendar year. Water SDC updates are scheduled to occur approximately every five years.
4. Under current city policy, building permit applications submitted before the effective date of a new or modified Water SDC will be charged the Water SDC in effect at the time of building permit application if the permit is picked up and paid for within six months of the SDC increase. The Water SDC increase will apply to those permits after six months from the date of the effective date of the SDC increase, and will apply immediately to all building permit applications submitted on or after the SDC effective date.

Hillsboro Water SDC		
Meter Size	Current Water SDC	Proposed Water SDC Effective 2/10/15
5/8 X 3/4"	\$ 6,182	\$ 6,830
1"	\$ 15,455	\$17,030
1.5"	\$ 30,914	\$34,030
2"	\$ 49,462	\$54,430
Meters larger than 2"	The Water SDC for meters larger than 2" is a calculated amount. \$6,060 per peak day ME, \$740 per average day ME. Contact Hillsboro Water Department for the calculation sheet.	

The proposed SDC methodology will be posted at the Hillsboro Water Department website at www.HillsboroWater.org not later than October 14, 2014.

For additional information, contact Hillsboro Water Department, 503-615-6702.